

## **Determining Percent of Bonded to Capacity**

### **Calculating Bonding Capacity**

1. Total amount of assessed valuation\* (as of December 31, 2000)\*\*
2. Multiplied by 15%
3. Equals the bonding capacity amount in dollars

### **Calculating Amount Bonded to Capacity**

1. Total amount of present bond indebtedness (as of June 30, 2001)\*\*\*
2. Divide (present bond indebtedness) by bonding capacity amount (#3 above)
3. Equals the percent (%) district is bonded to capacity

### **Example of Calculations**

1. \$10,000,000 (total assessed valuation)
2. Multiply by 15%
3. Equals \$1,500,000 Bonding Capacity (\$10,000,000 multiplied by 15%)
4. \$1,250,000 (bonded indebtedness) subtracted by \$250,000 (amount in debt service) equals \$1,000,000
5. \$1,000,000 (bonded indebtedness) divided by \$1,500,000 (bonding capacity)
6. Equals 67% (bonded to capacity)

### **Notations**

\* Districts may add state assessed railroad and utility valuations to their locally assessed valuation to determine their bonding capacity. (State assessed valuations are not reported to DESE)

\*\* As provided by the County clerk or can be found in audit for 2000-2001 school year in "Notes to the Financial Statements"

\*\*\*Lessened by the amount of money in debt service (shown under Example #4). Bond issues passed after June 30, 2001, for example August or November 2001 elections, may be added on with a notation stating bond indebtedness increase after June 30,2001

For more information regarding this calculation contact:

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